

Cash Registers at Coast Provincial General Hospital in Kenya: A Case Study of Enhanced Revenue Collection & Accountability

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APHIA *Financing & Sustainability Project*

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On the day in mid-September 1998 that Mwaajabu Hawa visited the Coast Provincial General Hospital (Coast PGH) seeking treatment for a leg injury, she was sure that something had “definitely” changed at the hospital’s casualty unit since her last visit nearly four months earlier. Although she couldn’t immediately put her finger on the cause, Mwaajabu could not help noticing the orderly and speedy manner in which the two cashiers attended to the growing queue of silent patients. She could also not fail to notice a deliberate division of labour between the two cashiers, one of whom received the cash while the other issued the receipt.

Where had the sea-change come from? Like many other patients, Mwaajabu thought the quick turnaround at the casualty unit was the result of a guest relations training the hospital had put its cashiers through. Having also heard that the hospital was poised for major planned improvements and restructuring, the mother of three even suggested the dramatic service improvement could have been sparked by fears of retrenchment among hospital

employees. But could it also have been due to a sharp rise in user fees that sent patients out of the hospital in search of less expensive herbal or traditional medicine? Or was it due to a dramatic dip in disease incidence, or an economic upturn that drove increased numbers of patients to private health care facilities?

While these and several other factors did somewhat contribute to the “efficiency” that Coast PGH’s patients like Mwaajabu witnessed at the various “business centres” in September, the primary cause of what the Coast PGH’s chief administrator, Dr. Esther Getambu, equated to a “phenomenon” was nothing more than five cash registers installed at strategic points within the country’s second largest public hospital.

Part of a precedent-setting pilot under the APHIA Financing and Sustainability (AFS) Project, a USAID-funded technical assistance project with Kenya’s Ministry of Health, the cash registers were installed in mid-July 1998 at a cost of over Ksh2.4 million, replacing a tedious and highly discretionary hand-written

receipting system. The Coast PGH system, which could be customised to suit the needs of individual health institutions, was designed to have the five units linked in a local area network supported by a central computer server. To capture all the revenues generated from patient services, the cash registers were strategically installed at such key points as the casualty unit, pharmacy, laboratory, maternity, and the National Hospital Insurance Fund's office. In line with the goals of the national cost sharing program, the Coast PGH's new systems were designed to spruce up the hospital's financial tracking system and boost the overall amount of revenue collected within the institution. This, it was hoped, would ultimately help increase the share of funds available for facility improvements.

The sea-change in service delivery witnessed by Mwaajabu and other Coast PGH patients since the installation of the cash registers tell only part of the story. The more dramatic part of it, and the one that is least talked about by hospital users, is the quick and tangible impact the five registers have since had on the hospital's cash collection efficiency. Within a month of installation, average daily cash collections just about doubled to Ksh70,000 per day, reaching a monthly peak of over Ksh2 million at end-September. This jump in monthly cash collections is all the more significant when set against over Ksh1.3 million collected in May, and Ksh1.45 million collected a month before the cash registers were installed. Historical data for the same

months in the three-year period to 1998 reinforce the same point—that monthly cash collections about doubled with the installation of the cash registers. Or did they?

There are very valid questions as to whether the spectacular rise in monthly cash collections at the Coast PGH could not have resulted from increased disease incidence, accelerated hospital utilization and rising income among patients, all factors adding to patient load throughout the period under review. Discounting these as possible contributory factors is evidence that, besides Coast PGH not having increased its user fees between July and September 1998, the total patient activity dropped marginally, with the outpatient department recording a 10 percent drop in visits between July and August. Preliminary results on occupied bed days support a similar trend.

Without a doubt, the pilot project at Coast PGH has amply demonstrated that well-used, cash registers can be an effective tool for achieving and sustaining fundamental health system goals of efficiency, quality and patient satisfaction. But, as Dr. Getambu stressed to colleagues from Coast Province attending a facility improvement workshop late September, "cash registers are not an end in themselves." They are a necessary but not sufficient means of enhancing efficient revenue collection and accounting. They produce spectacular results where there are stringent internal controls.

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